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Governor

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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 28, 2016

Steve L. Gilbert  
Black Iron, LLC.  
6249 West Gilbert Industrial Court  
Hurricane, Utah 84737

Dale Gilbert  
CML Metals Corporation  
912 West 1600 South, Building B, Suite 104  
St. George, Utah 84770

Jeffrey L. Trousdale  
Cohne Kinghorn, P.C.  
111 East Broadway, 11<sup>th</sup> Floor  
Salt Lake City, Utah 84111

Subject: Reclamation Sureties, CML Metals, Inc., Iron Mountain Mine, M/021/0008, Iron County, Utah

Dear Messrs. Gilbert, Gilbert, and Trousdale:

The Division of Oil, Gas and Mining (Division) is currently holding a certificate of deposit (CD) in the principal amount of \$1,482,100.00, and a surety bond in the amount of \$1,299,100.00, which together serve as reclamation surety for the Iron Mountain mine, file number M/021/0008. The operator for the mine continues to be CML Metals, Inc., although the Division has received an application to transfer the mine from CML Metals to Black Iron, LLC. As stated in the Division's letter of February 2, 2016, the Division will not approve the transfer and will not release the CD and the surety bond until it has received acceptable replacement surety. The mine operator must be responsible for posting the reclamation surety. In other respects the transfer application is complete.



Page 2 of 2

Steve Gilbert, Dale Gilbert and Jeffrey Trousdale

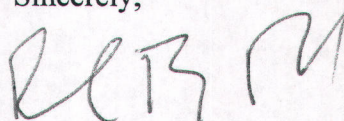
M/021/0008

October 28, 2016

In addition to the sureties mentioned above, the Division continues to hold a cash deposit in the principal amount of \$35,085.00. These funds were submitted as reclamation surety for the Comstock Mountain Lion exploration project, file number E/021/0052, for which Black Iron, LLC, was the operator. The disturbance for this project has been adequately reclaimed, but the Division received verbal instructions to continue to hold these funds as potential future reclamation surety for the Iron Mountain mine (M/021//0008).

Please contact me at 801-538-5261 or Lynn Kunzler at 801-538-5310 if you have questions regarding this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. Baker' with a stylized flourish at the end.

Paul Baker

Minerals Program Manager

PBB: lk: e b

Cc: Alyson Swenson (alyswen@gmail.com); Dana Farmer, Smith Knowles, 2225 Washington Blvd. #200, Ogden, UT 84401  
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